



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

January 4, 2002

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2002-36

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Advance Earned Income Credit (EIC) Payments

Each year on December 31, IRS Form W-5 (Earned Income Credit Advance Payment Certificate) expires. Eligible employees who want to receive advance payments of the earned income credit for the next year must complete a new Form W-5 and forward to the Employee Administration Office. According to the IRS, Form W-5 becomes effective the day it is received, and it remains in effect until the end of the calendar year unless the employee revokes it or files another one. Year 2002 Forms W-5 can be obtained from the local Internal Revenue Service office or from the Internal Revenue Service's website (http://www.irs.gov/pub/irs-pdf/fw5_02.pdf).

For 2002, advance EIC payment tables cover three (previously only two) separate filing statuses: "Single or Head of Household," "Married without Spouse Filing Certificate," and "Married with Both Spouses Filing Certificate". These tables can be found in IRS Circular E (<http://www.irs.gov/pub/irs-pdf/p15.pdf>). The maximum advance payment a qualified Earned Income Credit recipient may receive is \$1503 for 2002. To qualify for advance EIC payments, the individual must be expected to have an earned income or modified gross income (for federal income tax purposes) of less than \$30,201 (\$29,201 for single employees) in 2002 and have one qualifying child.

All employees with an EIC indicator on IT0210 for calendar year 2001 have had that indicator removed for 2002 by the Office of Information Services (OIS). Each IT0210 record with EIC has been delimited to either 01/05/02 or 01/06/02, and a new IT0210 record has been created without EIC beginning on either 01/06/02 or 01/07/02. (Note: The functionality of IT0210 is being enhanced and will, in the future, automatically delimit records with an EIC indicator to 12/31 of the current year.) Attached is a list of employees affected, if applicable. Also, refer to SIS Memorandum 02-023, dated 12/28/2001, for an additional list of employees who were changed when OIS corrected the period 26 EIC status problem. Once the Employee Administration office receives a new Form W-5 for 2002, the new IT0210 record created by OIS must be delimited and a new IT0210 record must be created to include the EIC indicator. Agencies must follow on-line help system task "Maintain Withholding Information" for instructions on changing IT0210.

Questions should be directed to a member of the Wage and Tax Administration unit:

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JWC:APH:kmb

Attachment: Agency Specific